

ILLINOIS-AMERICAN WATER COMPANY  
RESPONSE TO ILLINOIS ATTORNEY GENERAL  
DATA REQUEST NUMBER AG 7.3

Witness Responsible: Bernard L. Uffelman  
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Date Received: February 15, 2008  
Docket No.: 07-0507

AG 7.3

Referring to IAWC Ex. 10.30, at page 5, line 101-104, how does Mr. Uffelman define the term "just and reasonable rates"?

RESPONSE

See response to AG 7.2. Just and reasonable rates under the cost-of-service standard are rates that allow the utility an opportunity to recover the cost of providing service to customers, and in the case of an IOU, to earn a fair and reasonable return on investor supplied capital. In the case of Illinois-American the Commission makes such regulatory and ratemaking determinations when reviewing IAWC's costs for inclusion in rates and establishing IAWC's rate base and authorized return.

Date Response Provided: 2-29-08

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ILL. C. C. DOCKET NO. 07-0507

AG cross Exhibit No. 7

Witness \_\_\_\_\_

Date 3-26-08 Reporter CB